

5-18-01  
cm

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-01557A WATER  
LAKE VERDE WATER COMPANY, INC.  
PO BOX ~~723~~ 2777  
CAMP VERDE AZ 86322-0000

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2000
----	----	------

FOR COMMISSION USE  

Ann 04 00
-----------

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>LAKE VERDE WATER CO. INC.</u>			
<b>Mailing Address</b> <u>P.O. Box 2777</u>			
<u>CAMP</u> (City)	<u>VERDE</u> (Street)	<u>ARIZONA</u> (State)	<u>86322</u> (Zip)
<u>520-567-9141</u>	<u>520-567-4387</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>Local Office Mailing Address</b> <u>P.O. Box 2777 (Phys Loc. 143 WALKER RD)</u>			
<u>CAMP</u> (City)	<u>VERDE</u> (Street)	<u>AZ</u> (State)	<u>86322</u> (Zip)
<u>520-567-9141</u>	<u>520-567-4387</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>VANCE L. McDONALD</u> , <u>PRES</u>			
(Name) (Title)			
<u>P.O. Box 2777 (143 WALKER RD)</u> <u>CAMP VERDE</u> <u>AZ</u> <u>86322</u>			
(Street)	(City)	(State)	(Zip)
<u>520-567-9141</u>	<u>520-567-4387</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>On Site Manager:</b> <u>NONE</u>			
(Name)			
(Street) (City) (State) (Zip)			
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)			
<b>Email Address</b> _____			

<b>Statutory Agent:</b> <u>VANCE L. McDONALD</u>			
(Name)			
<u>P.O. Box 2777</u>	<u>(143 WALKER RD)</u>	<u>CAMP VERDE</u>	<u>AZ 86322</u>
(Street)	(City)	(State)	(Zip)
<u>520-567-9141</u>	<u>520-567-4387</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Attorney:</b> <u>FENNEMORE CRAIG, JAY L. SHAPIRO, Esq.</u>			
(Name)			
<u>3003</u>	<u>N. CENTRAL AVE</u>	<u>PHOENIX</u>	<u>AZ 85012-2913</u>
(Street)	(City)	(State)	(Zip)
<u>602-916-5366</u>	<u>602-916-5566</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input checked="" type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input checked="" type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME LAKE VERDE WATER CO. INC

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	7,590	1,518	6,072
302	Franchises			
303	Land and Land Rights	10,000	0	10,000
304	Structures and Improvements			
307	Wells and Springs	5,016	251	4,765
311	Pumping Equipment	13,298	665	12,633
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	19,032	951	18,081
333	Services			
334	Meters and Meter Installations	955	48	907
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	380	54	326
341	Transportation Equipment	1,925	385	1,540
343	Tools, Shop and Garage Equipment	1,894	271	1,623
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>60,090</b>	<b>4,143</b>	<b>55,947</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME** LAKE VERDE WATER COMPANY, INC.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	7,590	.2000	1,518
302	Franchises			
303	Land and Land Rights	10,000	.0000	0
304	Structures and Improvements			
307	Wells and Springs	5,016	.0500	251
311	Pumping Equipment	13,298	.0500	665
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	19,032	.0500	951
333	Services			
334	Meters and Meter Installations	955	.0500	48
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	380	.1429	54
341	Transportation Equipment	1,925	.2000	385
343	Tools, Shop and Garage Equipment	1,894	.1429	271
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>60,090</b>		<b>4,143</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403

**COMPANY NAME** LAKE VERDE WATER COMPANY, INC.

## BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 1,697	\$ 4,889
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		52,500
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$ 57,389
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 25,211	\$ 60,090
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	18,829	4,143
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 6,382	\$ 55,947
	<b>TOTAL ASSETS</b>	\$ 8,079	\$ 113,336

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME LAKE VERDE WATER COMPANY, INC.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		4,140
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$ 4,140
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 21,511	\$ 90,000
211	Paid in Capital in Excess of Par Value		19,200
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	( 13,432)	( 4)
	<b>TOTAL CAPITAL</b>	\$ 8,079	\$109,196
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 8,079	\$113,336

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 14,705	\$ 13,738
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 14,705	\$ 13,738
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	975	966
618	Chemicals		
620	Repairs and Maintenance	1,760	1,872
621	Office Supplies and Expense		
630	Outside Services	1,096	1,564
635	Water Testing	180	186
641	Rents		
650	Transportation Expenses	749	
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	4,022	4,299
403	Depreciation Expense	551	4,143
408	Taxes Other Than Income	1,386	712
408.11	Property Taxes	835	NONE
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 11,554	\$ 13,742
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXP</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ 3,151	\$ ( 4 )



COMPANY NAME

LAKE VERDE WATER COMPANY, INC.

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ NONE

Meter Deposits Refunded During the Test Year

\$ NONE

<b>COMPANY NAME</b>	LAKE VERDE WATER COMPANY, INC.
---------------------	--------------------------------

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
643828	2 HP	22	8"	1.5"

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 667

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
6,000	1	2,000	2

## STATISTICAL INFORMATION

Total number of customers	51	
Total number of gallons sold	667,130	gallons

COMPANY NAME LAKE VERDE WATER COMPANY, INC. YEAR ENDING 12/31/2000

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2000 was: \$ NONE

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. DUE TO CHANGE OF OWNERSHIP AND RESULTING  
CHANGE OF ADDRESS, PROPERTY TAX BILL WAS NOT RECEIVED. LATE PAYMENT IS  
BEING TENDERED TO BRING PROPERTY TAX PAYMENTS CURRENT.

COMPANY NAME LAKE VERDE WATER COMPANY, INC. YEAR ENDING 12/31/2000

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported ( 4 )  
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported ( 4 )  
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances: N/A

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Vance L. McDonald  
SIGNATURE

18 MAY 2001  
DATE

VANCE L. MCDONALD  
PRINTED NAME

PRESIDENT  
TITLE

COMPANY NAME LAKE VERDE WATER COMPANY, INC. YEAR ENDING 12/31/2000

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ NONE

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

DUE TO CHANGE OF OWNERSHIP AND RESULTING CHANGE OF ADDRESS, PROPERTY TAX BILL WAS NOT RECEIVED. MANAGEMENT IS TENDERING LATE PAYMENT TO BRING PROPERTY TAX PAYMENT CURRENT.

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

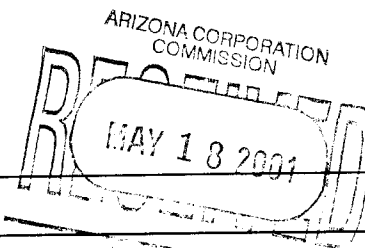
**VERIFICATION**

**STATE OF** ARIZONA

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	<u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>VANCE L. MCDONALD, PRESIDENT</u>
COMPANY NAME	<u>LAKE VERDE WATER COMPANY, INC.</u>



**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2000</u>

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:**

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 13,738

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 975  
IN SALES TAXES BILLED, OR COLLECTED**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Vance L. McDonald  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 567-9141  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

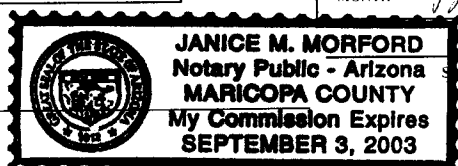
18th

**DAY OF**

COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>May</u>	<u>2001</u>

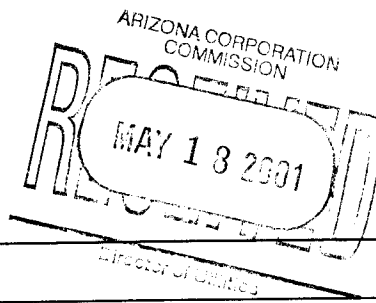
(SEAL)

**MY COMMISSION EXPIRES**



Janice M. Morford  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) YAVAPAI	
NAME (OWNER OR OFFICIAL) VANCE L. MCDONALD	TITLE PRESIDENT
COMPANY NAME LAKE VERDE WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ 13,738
--

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 975  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Vance McDonald  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

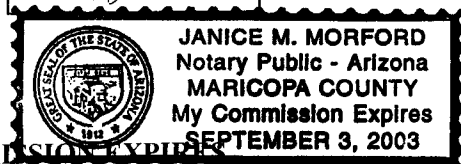
THIS

18th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME JANICE M. MORFORD	
COUNTY NAME Maricopa	
MONTH May	2001

X Janice M. Morford  
SIGNATURE OF NOTARY PUBLIC